

MULTIMEDIA



UNIVERSITY

STUDENT ID NO

--	--	--	--	--	--	--	--	--	--

# MULTIMEDIA UNIVERSITY

## FINAL EXAMINATION

TRIMESTER 2, 2018/2019

**DFA5018 – FINANCIAL ACCOUNTING 1**  
( For Diploma Students Only )

15 MARCH 2019  
9.00 a.m – 12.00 p.m  
( 3 Hours )

---

### INSTRUCTIONS TO STUDENT

1. This question paper consists of 5 pages with 4 questions.
2. Write your answers in the answer booklet provided.
3. Answer ALL questions.

**QUESTION 1****Part A**

Joy Inn Melaka is a newly-opened homestay located in Malacca and is managed by Sandra, the business owner. Sandra officially started the inn business on 1 April 2018 and recorded all events incurred listed based on dates sequentially. Sandra decides to appoint you as a part time clerk to prepare the accounts for the first month in business.

Listed are the events incurred for Joy Inn Melaka in the month of April 2018:

- April 1 Sandra invested RM15,000 cash into the inn business.
- 1 Sandra decides to hire Andrea, a part time cleaner for cleaning the room at the rate of RM50 per room.
- 3 Sandra purchased furniture and fittings amounted RM6,500 on account.
- 5 Sandra received a request to book three deluxe rooms for two days through phone.
- 10 Sandra interviewed Yasmin for the position as an innkeeper and decided to hire her at RM1,500 per month. Yasmin will start to work on the following month.
- 15 Sandra received 50% cash from the room booked on April 5. The remaining will be on account. The total cash received was RM600.
- 22 Sandra paid RM4,000 on furniture and fittings bought on April 3.
- 26 Sandra withdrew RM2,000 to pay for her personal expenses.
- 28 Sandra paid RM1,600 for the expenses incurred during the month. The expenses included 60% on room cleaning fee, 30% on utilities and remaining on telephone bills.

**Instructions:**

Based on the above information, you are required to:

- (a) Identify and state which events are not a business transaction using the table below. (1.5 marks)
- | Date | Description of events incurred |
|------|--------------------------------|
|      |                                |
- (b) Prepare the journal entries for all business transactions that incurred in the month of April 2018. (15 marks)
- (c) Prepare the trial balance at end of April 2018. (6 marks)

**Part B**

Provide the accurate terms that matches descriptions below:

- (i) Information stated in the accounts book are complete, unbiased and accurate.
- (ii) All transaction must be expressed and recorded in Ringgit Malaysia.
- (iii) All machines must be stated at the amount purchased in the company's account book until it was disposed.
- (iv) Cash withdrawal by business owner must be recorded in a separate account known as Owner's Drawing.
- (v) Motor vehicle is valued at disposal value during disposal. (2.5 marks)

(Total: 25 marks)

**Continued...**

**QUESTION 2**

Mazda Motor Workshop is a business run by Suresh, providing repair service on motors for motorbikes and cars. Every year, the business closes its accounts at the end of the month of October. Given is the Statement of Financial Position of Mazda Motor Workshop dated 31 October 2018:

<b>Mazda Motor Workshop</b>		
<b>Statement of Financial Position as at 31 October 2018</b>		
	<b>RM</b>	<b>RM</b>
<u>Current Assets</u>		
Bank	21,700	
Trade receivables	5,600	
Supplies	<u>3,600</u>	
Total Current Assets		30,900
<u>Property, Plant and Equipment</u>		
Motor Vehicles*		14,400
Total Assets		45,300
<u>Current liabilities</u>		
Trade payable	6,900	
Unearned Service Revenue	<u>15,000</u>	
Total Current Liabilities		21,900
<u>Long term liability</u>		
Note Payables		9,000
<u>Owner's Equity</u>		
Suresh's Capital		14,400
Total Liabilities and Owner's Equity		45,300

\* Note: Motor vehicles are valued at net book value.

Below are the transactions incurred in the month of November 2018:

- Nov 3 Suresh purchased supplies amounted RM4,100 and paid using cheque.  
 6 An amount of RM8,800 on unearned repair service was performed and earned.  
 12 Suresh received cheques amounted RM3,600 from his debtor and RM4,400 for the sales billed to customer on the same day.  
 16 A drawing was made amounted RM5,000 by using EFT transferring the money to his personal account.  
 25 Total supplies amount RM6,850 were utilised to performed the repair service up to date.  
 30 Suresh paid RM6,000 for expenses. The expenses paid includes 60% on salaries, 15% on utilities and remaining on rental.

Continued...

**Instructions:**

- (a) Table the tabular analysis for the transactions incurred in November 2018 based on the Statement of Financial Position using the table below. (12 marks)

Date	Assets				=	Liabilities			+	Owner's Equity
	Bank	Trade receivables	Supplies	Motor vehicles		Trade payable	Unearned service revenue	Note payables		Suresh's capital

- (b) Prepare the following T-accounts for the month of November 2018.
- Bank Account (5.5 marks)
  - Supplies (3 marks)
- (c) Prepare the Statement of Comprehensive Income for the month of November 2018. (2.5 marks)
- (d) Prepare the Statement of Changes In Owner's Equity for the month of November 2018. (2 marks)

(Total: 25 marks)

**QUESTION 3****Part A**

Below are the finalised account balances after adjustments taken from the Down Town Coffee House's worksheet. The business closes its accounts on 30 June 2018.

Accounts	(RM)
Cash	1,230
Supplies and Utensils	5,480
Prepaid Insurances	1,800
Furniture and Fittings	3,000
Accumulated Depreciation – Furniture and Fittings	900
Building	150,000
Account Payable	4,890
Note payable	125,000
Mr. Chua's Capital	20,000
Mr. Chua's Drawing	660
Sales Revenue	35,949
Rental Revenue	16,610
Utilities Expense	899
Salaries Expense	35,400
Supplies and Utensil Expenses	3,330
Advertising Expenses	800
Insurance Expenses	600
Sundry Expenses	150

**Instructions:**

- (a) Prepare the closing entries for the accounts closed at 30 June 2018. (7 marks)
- (b) Post the closing entries into the Income Summary in T-account format. (6 marks)
- (c) Prepare the post-closing trial balance at the end of June 2018. (6 marks)

Continued...

**Part B**

Name and briefly explain any **TWO (2)** constraints that permits modifications on the generally accepted accounting principles without affecting the fairness of the reported financial information. (6 marks)

(Total: 25 marks)

**QUESTION 4****Part A**

- (a) Prepare the adjusting entries based on the misstatements discovered in the Nice Food Packaging Berhad's accounts for the month of January 2018.

No.	Date of record	Details description
i.	Jan 3	A cheque amounted RM1,200 was prepared by the accounts clerk and pass to the company's supplier as payment. However at the end of January, the company's accounts manager received a call from the supplier that the cheque was rejected by the their bank due to unmatched signature.
ii.	Jan 12	The accounts manager received a call from Ramesh, the company's sales manager about a sale on account but was not billed to a customer. Later, it was discovered that the error incurred was due to a sales invoice was misplaced amounted RM2,350 and the sales was omitted in the account.
iii.	Jan 18	The accounts executive received a cheque amount RM4,000 from Debtor X, but was wrongly credited into Debtor Y's account as debt settlement. This misstatement was occurred due to accounts executive's carelessness.
iv.	Jan 24	The accounts supervisor personally made a spot check on the cash sales deposited by the accounts clerk and discovered that the amount stated by the clerk was understated by RM200 in the cash book. The clerk was warned of the error.
v.	Jan 28	An accrued wages of a part time worker was wrongly stated as RM500 in to the account. The actual accrued wages were RM1,000 after recomputed. The error incurred was due to improper recording on actual hours working.

(10 marks)

- (b) Based on errors in (a), suggest and briefly explain **FIVE (5)** internal controls that can be implemented by Nice Food Packaging Berhad to solve each problem encountered using the table shown below.

No.	Internal control suggested	Explanation
i.		
ii.		
iii.		
iv.		
v.		

(10 marks)

Continued...

**Part B**

Assuming you are working as an accounts assistant for Mr. Robert, the accountant. You are assisting Mr. Robert in preparing the bank reconciliation for Fook Brothers Partnership bank account as at 31 May 2018. Details on the bank reconciliation are as shown below:

- i. Bank memoranda showing a collection of note receivables for RM1,000 plus interest earned at RM60 excluded a deduction of RM15 bank collection fee.
- ii. A cash deposit amounted RM4,500 have not credited into the partnership's bank account. However, it was credited on June 5.
- iii. Outstanding cheque no.: 122340 amounted RM600 paid for a part time worker's March salary was recorded as paid in bank book. The cheque was debited on July 10.
- iv. Debited RM3,800 from the partnership's account by bank on fire insurance for office building for year 2019. This is not recorded in the book.
- v. A cheque payment written to a supplier was wrongly stated at RM450 in the bank book. The actual amount paid was RM540.

**Instructions:**

Compute the bank reconciliation as at 31 May 2018 if the balance of bank per book was RM7,900 and bank statements was RM1,155. (5 marks)

(Total: 25 marks)

**End of Page.**